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MESSAGE
OF
GOV. EDWIN L. NORRIS
TO THE
ELEVENTH LEGISLATIVE
ASSEMBLY

OF THE
STATE OF MONTANA

49714

1909





Governor's Message.

Mr. President and Members of the Eleventh Legislative Assembly:

You, as representatives of a sovereign people, are convened in regular legislative session, according to law. I am sure you have met with a fixed purpose to perform your duties faithfully and well, and that the enthusiasm of the campaign did not disappear with the issuance of your certificates of election.

As members of co-ordinate departments of the State government, it should be our joint purpose to labor intelligently and conscientiously for the public good.

In the discharge of a duty required of me by the Constitution, I now give to you such information of the condition of the State and make such recommendations as seem expedient; reserving, however, until a later date some matters of importance which will be communicated to you by special message.

The Policy of the Administration.

In addition to the views set forth in this message, I deem it my duty to state in general terms the policies which will be pursued by the Chief Executive in the administration of State affairs.

The Constitution of the State has created Legislative, Judicial and Executive departments of the State government and most wisely provided that one department shall not encroach upon the functions of the other. It is the duty of the Legislative department to enact, the Judicial department to interpret, and the Executive department to execute the laws. That State is best governed wherein all officers keep strictly within constitutional and statutory limitations. This I propose to do.

It will be the general policy to administer fairly and justly the laws of the State as the Legislature has enacted and the Courts have interpreted them; to expend the money appropriated by you economically and for the purposes designated;

to recognize that common sense and business principles in conducting the affairs of the State are quite as necessary as in business enterprises.

It will not be the policy to enact the role of the reformer, who is usually spasmodic in initiative and listless in performance.

The Governor, to the extent of making recommendations and suggesting legislation, is a member of the Legislative department. Further than the performance of those duties it will be my policy not to interfere with or attempt to influence your actions.

I shall be pleased, upon invitation, to discuss at any time with members or committees any proposed legislation.

Business and Industrial Affairs.

No people, as a whole, can be truly prosperous unless industrial and business affairs are in a progressive and reasonably satisfactory condition. It is my pleasure to report that such conditions now exist.

The products of the mines, ranges, farms and other industries are large and fairly profitable. Immigrants in large numbers are coming within our borders, building and purchasing homes, becoming permanent and useful settlers and adding to our good citizenship.

All business interests are progressive and financial affairs are on a safe and conservative basis. It should be our special care to aid and promote these interests in every possible way. Business men seldom interest themselves in affairs of State, nor do they often ask for legislation. Requests in aid of commercial interests should receive your careful consideration and such action as in your best judgment may seem advisable.

Enforcement of the Law.

Laws are enacted to be enforced. The civilization of a people cannot be the best without a genuine respect for and an assured execution of the law. Respect and obedience are surest obtained by the prompt, fair and thorough execution of the law.

For such execution, I request of all officers clothed with executive functions a thorough discharge of their duties. I appeal to all citizens to abide by the law, and to assist their officers in every way possible. An incompetent officer is a use-

less expense, and a corrupt officer is a positive menace. More stringent and more easily executed laws for the removal of incompetent and derelict officers, and for the removal from office and punishment of corrupt officers, are urgent necessities.

The frequency of homicides and homicidal assaults is most regrettable—indeed alarming. The ever ready knife or gun is a potent factor in committing these crimes. The carrying of concealed weapons is as useless as it is dangerous. A law providing that any one convicted of that offense must serve a jail sentence and not merely pay a fine, would, in my judgment, discourage the practice.

There are many laws upon the statute books more honored in the breach than in the observance.

A grand jury has often proven effective in dealing with the less serious crimes, and your attention is called to the advisability of requiring its more frequent use. Whether the calling of a grand jury is made mandatory or is left optional as now it is advisable to provide for the selection of the grand jurors by the Judge of the Court, rather than by drawing the names from the jury box, as at present. By the method now in force the Judge has no opportunity to pass upon the suitability of the grand jurors for the service required of them.

Financial.

During the year 1908, by order of the State Board of Education there was transferred from the income funds of several of the educational institutions to the general fund of the State the sum of one hundred and eight thousand dollars. The sum so transferred has been used to redeem illegal educational bonds. A further redemption of such illegal bonds, to the amount of one hundred and thirty-three thousand dollars, has been made from the general fund.

Under the authority conferred upon the State Board of Examiners by the voters at the last election, bonds of the State to the amount of four hundred and fourteen thousand dollars have been issued, with which to redeem the remaining illegal educational bonds and make the educational and school funds intact. It is gratifying that the State has been enabled to redeem all of the illegal bonds and thus preserve its credit from the least question.

The bonded indebtedness of the State is four hundred and

fourteen thousand dollars, all warrants and other financial obligations are paid and there is a small balance of cash in the general fund.

During the fiscal year 1910 there will be a very serious financial problem to deal with. Section 9 of Article XII of the Constitution provides that with an assessed valuation of less than three hundred million dollars the rate of taxation for State purposes may not exceed two and one-half mills, and that with an assessed valuation of three hundred million dollars or over, the rate may not exceed one and one-half mills. The income received from the tax levy of 1908 was approximately six hundred and thirty thousand dollars. With the certain increase of the assessed valuation, the income from this source for 1909 will be about seven hundred thousand dollars. It seems assured that in 1910 the assessed valuation will exceed three hundred million dollars, and in this event the income of the State from the source named will be only about four hundred and fifty thousand dollars.

This is a matter of sufficient moment to cause us to pause and give most careful thought to expenditures. I ask the exercise of the greatest prudence in making appropriations. The Legislative Assembly makes the appropriations, and with it lies the responsibility. I can only point out the danger and you must avert it by limiting appropriations.

If the assessed valuation increases in 1910 as I confidently expect it will, and if you do not so limit appropriations that there will be a considerable surplus from the income of this year to aid the decreased income of next year, a most grave condition of affairs will exist. It is to be regretted that the constitutional amendment providing for a regulation of the State tax levy, submitted at the last election, was defeated. A resubmission of a similar amendment seems imperative, and the hope is expressed that a most extensive knowledge of the needs of the State will produce a different result.

Assessed Valuation in 1910.

The State Auditor has estimated the revenues of the State for the years 1909 and 1910, using as a basis an assessed valuation of two hundred and seventy-five million dollars for 1909 and two hundred and ninety-five million dollars for 1910.

My estimates of the assessed valuations for the years

named do not agree with those of the Auditor, and I submit the following statement for your further information:

Assessed valuation, 1907	\$251,882,473.00
Assessed valuation, 1908	252,294,016.00
Increase in counties other than Silver Bow, 1908	13,437,422.00
Decrease in Silver Bow County, 1908	13,025,843.00
Net increase in 1908	411,579.00

The decrease in Silver Bow county was due to the falling off in the net proceeds of the mines and to the depression in property values, occasioned by the low price of copper and the closing of the mines. All mines are now operating and business has become normal. It is therefore reasonable to suppose that the assessed valuation of Silver Bow county will show an increase in 1909 over 1908 of approximately eight million dollars.

The general increase in values for 1909 in addition to that of Silver Bow county should be at least thirteen million dollars. In 1909 there will be about nine hundred miles of new railroad to assess which at the present rate of valuation of like property will add over sixteen million dollars to the assessment, making the assessed valuation for 1909 nearly two hundred and ninety million dollars.

In 1910 there will be more than three hundred miles of new railroad to assess, of a valuation of at least five million dollars; the natural increase will add at least fifteen million dollars more, making a total of nearly three hundred and ten million dollars for 1910.

I have not taken account of an increase in the assessed valuation of railroads. The increase in property values generally, which directly affects the values of railroad property, seems to justify an increase of assessment and I confidently predict that the assessed valuation of railroads will be materially raised in 1909 and 1910. My judgment is that in 1909 the assessed valuation will be more than two hundred and ninety millions and may approach more closely the three hundred million mark, while in 1910 it will be at least three hundred and ten million dollars.

Legislative Expenses.

Realizing the urgent necessity at this time for the strictest economy in state expenditures, and keeping within the prerogatives above referred to, I desire to make some suggestions

concerning the expense of the Legislature.

Legislative sessions are expensive, and often more so than necessity requires. The exercise of a minimum amount of business judgment will often result in the saving of money to the State.

You serve as a check upon all expenditures, in that you make the appropriations, and except for the Executive veto, which can be overridden, there is no check upon your actions.

In expenditures for Legislative purposes and making appropriations to pay the same, the Executive veto is under the circumstances more of a fiction than a reality.

You may avoid some unnecessary expenditures made by previous Assemblies. The same bill has frequently been introduced in the Senate and the House, favorably reported, and ordered printed by both the Senate and the House printing committees. This double printing is expensive and serves no useful purpose—in fact no purpose at all, except possibly to enable some ambitious member to send to his admiring constituents a printed bill of his introduction.

Aside from the expense, much time is wasted. Each House is duly informed of the notice of introduction and introduction of bills, and a little co-operation and joint action between the committees of the two Houses will prevent duplication of printed bills and will result in a considerable saving.

It is to be hoped that you will not err in the number and competency of your employes as many previous Assemblies have. The salaries paid Legislative employes are reasonably remunerative and the positions are eagerly sought, with the result that the number employed is often too great, and lack of qualifications too frequent.

Offices were not created to serve as training schools for incompetents, nor as rewards for unworthy favorites.

Live Stock Interests.

For some years there were levied and collected special taxes upon horses, cattle and sheep for the benefit of the Bounty Fund; upon cattle and horses for the benefit of the Stock Inspector and Detective Fund, and upon sheep for the benefit of the Sheep Inspection and Indemnity fund.

The special bounty tax, inclusive of five per cent of all licenses collected, was used to pay bounties on stock-destroying

animals. The Stock Inspector and Detective Fund was used for the benefit of the cattle and horse industry, and the Sheep Inspection and Indemnity Fund was used for the benefit of the sheep industry.

About two years ago it was found that the statutes providing for special levies of the kinds named were unconstitutional, and collection thereunder ceased.

For two years bounties have been paid from the balance on hand in the Bounty Fund and the money received from licenses, which was, for the years 1907 and 1908, sixty-seven thousand five hundred an ninety and forty-three one-hundredths dollars.

There are now on file with the Board of Examiners, bounty claims amounting to thirty-five thousand seven hundred and seventy-eight dollars which cannot be paid for want of funds. During the next two years there will be filed bounty claims to the amount of at least two hundred thousand dollars.

To discharge the total liability of two hundred and thirty-five thousand dollars now due and to accrue under the present law against the bounty fund, there will be only the sum to be received from licenses, estimated at sixty-eight thousand dollars, leaving unpaid claims for the next two years of about one hundred and sixty-seven thousand dollars.

Bounties are very necessary for the protection of the stock interests, and in order that the full benefits may be received therefrom, prompt payment of claims should be made.

The present income of the State for general purposes will not permit the payment of bounty claims from the general fund. These claims are legally authorized, cannot be repudiated, and must ultimately be paid. I recommend the submission of a constitutional amendment authorizing a special tax upon live stock to pay bounties and provide special protection to the live stock interests.

The work of the Board of Stock Commissioners and of the Board of Sheep Commissioners is so important and necessary for the stock interests that the same should not be handicapped by lack of the necessary funds until other arrangements are made.

I recommend an appropriation from the general fund sufficient to carry on the work of these Boards for the next two years.

The inspection, eradication and prevention of diseases among the livestock of the State are so important that no effort must be spared to provide sufficient funds for those purposes.

The stock boards and officers charged with such duties have performed valuable services for the stock interests—services which must be continued. To permit our livestock to become contaminated would entail large losses and do immeasurable harm.

Your closest attention is called to the necessity for, and your most discriminating judgment should be exercised as to, laws for the prevention and eradication of disease among the livestock. The State Veterinary Surgeon makes some valuable suggestions in his report, to which your attention is called.

Direct Primaries.

I am firmly convinced that a law of general application providing for the nomination of party candidates for all elective offices, and United States Senators, at primary elections, would prove beneficial.

The primary elections should be held on the same day throughout the State; all parties should be required to make their nominations at the same primaries, and every safeguard necessary to secure a fair expression of the voters should be provided for.

In advance of action by Congress, which seems to be long delayed, amending the Constitution of the United States so that Senators may be elected by the voters direct, I suggest the enactment of a law similar to that now in force in Oregon, which provides that the Legislators may pledge themselves in advance of election to elect the choice of the voters as Senator.

Elections.

All elections should be fairly and honestly conducted, and the voters should be permitted to express their choice of candidates and principles without fear, coercion, undue influence or corruption of any kind or character.

The corrupt practice act now in force is so wholly insufficient and its provisions are so farcical that it has not been observed and its enforcement has not been attempted. You should enact a law prohibiting the use of paid workers employed by candidates, or in aid of candidates; clearly defining the purpose for which money may be expended by candidates or committees, and the amount that may be so expended; providing

that all candidates and committees, or any person or persons acting for such candidates or committees, must file true, correct and verified statements of all expenses, and fixing a sufficient punishment for failure to observe and comply with the law which punishment should in the case of successful candidates extend to the deprivation of the office to which such candidate was elected.

Highways.

Quick and easy transportation of products from the points of production to the markets is beneficial both to the producer and the consumer. Good roads are necessary for quick transportation, and to insure good roads adequate laws for the building and repair of the highways are necessary. Your consideration of this very important question is requested.

If the funds of the State would permit, I would favor State supervision of and State assistance to road building and repair.

The suggestion has often been made and strongly urged that the short-term convicts confined in the State Prison should be used in road building. The overcrowding condition of the State Prison would at least be relieved by such use of such inmates. If it should appear that working the convicts on the public roads would conflict with the interests of the laboring men of the State, it should not be permitted. No such conflict, however, seems apparent or has been represented to me.

The Guarantee of Bank Deposits.

The creation of a feeling of security by bank depositors in the safety of their deposits, and the prevention of runs on banks by depositors in times of financial stringency, are most desirable. When financial conditions are normal, laws providing relief can be more sensibly and practically considered. This, therefore, is a favorable time to enact a law guaranteeing banks against runs and protecting depositors in case of bank failures.

I strongly recommend the enactment of a law which provides that the banks shall pay a certain amount, from time to time, based upon their deposits, into a guarantee fund, sufficient to insure depositors in failed banks against loss; this fund to be in the custody of the State Treasurer or a Commission, and to be paid out to depositors of failed banks according to the provisions of law.

In the event of the passage of this law, the maximum rate of interest to be paid by banks on time loans should be fixed,

more stringent provisions regulating the organization and examination of banks should be made, and every possible safeguard to bankers and depositors should be provided.

Back Pay for Spanish-American War Veterans.

During the year I have received from the Government of the United States the sum of thirty-one thousand three hundred and sixty-eight dollars, payable to the veterans of the Spanish-American War, for services rendered by them between the time of enrollment and mustering into service.

The Federal Statutes prohibited the placing of this money in the State Treasury, and it was deposited in bank to the credit of the Governor. I appointed Julius Barney, Department Commander of the United Spanish-American War Veterans, Paymaster, and have paid each of the veterans, when properly identified, the amount allowed him, less fifteen per cent for attorney's fees, by check signed by me as Governor and countersigned by Julius Barney as Paymaster.

Governor Toole, through whose efforts this money was obtained, secured the services of Messrs. Calhoun & Sizer, attorneys, of Washington, D. C., who prosecuted the claim, and arranged to pay them fifteen per cent of the amount received for their compensation.

The fifteen per cent named was deducted from the amount allowed each veteran and paid to the attorneys.

The work of identifying and paying the veterans has involved much very careful work on the part of Mr. Barney, and I desire to publicly express my appreciation and thanks for his services.

I recommend that a reasonable compensation be paid him for his services.

Reports of Officers and Boards.

The reports of many of the officers and boards are not referred to or commented on in this message. The failure to do so is not occasioned by any lack of appreciation of the reports and the many valuable suggestions contained therein, but is due rather to the desire not to present a message of unusual length.

Your attention is called to these reports, and to the suggestions and recommendations therein contained.

Official Bonds.

I am convinced of the wisdom of a law requiring that official bonds of State and County officers should be surety company bonds, and that the State in case of State officers, and the County in case of County officers, should be required to pay the cost thereof.

Bonds with individuals as sureties may not be good and sufficient, and the approving officer or board does not in every instance possess the necessary information to pass intelligently upon the sufficiency of the sureties.

When defaults are made by officers, the security is often found to be insufficient, and the taxpayers suffer a loss thereby.

The State Board of Examiners has lately adopted a rule to approve only surety company bonds to secure to banks a deposit of State funds, and I think this should be made a positive provision of the law.

The State of Idaho regulates by law the price surety companies may charge for bonds, and the wisdom of such a law will doubtless occur to you

Flathead County Timber Sales.

During the years 1906 and 1907, the State Board of Land Commissioners, at three separate sales, sold to the Northwestern Lumber Company, G. W. Millet and the Somers Lumber Company, timber and timber lands to the amount of 50,950.72 acres, for the sum of six hundred and ninety-eight thousand six hundred and four and eighty one-hundredths dollars

In June, 1908, Edward Dickey and others preferred charges to the effect that the sales were made contrary to law and that the reasonable value of the timber and lands was not received therefor. The State Board of Land Commissioners ordered an investigation of the charges and a hearing was had at Kalispell July 22 to July 27 inclusive. I thereafter made written findings upon the facts presented, and also caused a check re-estimation of a part of the timber sold, to be made. A transcribed copy of the evidence taken at the hearing, with the exhibits, briefs presented by the attorneys, the report of the check re-estimation of the timber, and all documents relating to the sale and hearing, are on file in the office of the Register of State Lands and subject to your inspection and use.

During the hearing, representatives of the purchasers

offered to reconvey the land and timber sold to the State, upon repayment of the purchase price and interest thereon.

After a full consideration of all the facts, I recommend that if there is a legal way to do so, such offers be accepted and that you make the necessary appropriations from the land grant funds therefor, and enact the necessary laws providing for such reconveyance.

This action on your part would likely settle a controversy that has aroused some feeling and would prove profitable to the State.

There are no officers or boards, other than the Legislative Assembly, legally authorized to take any further action in the premises, and all matters relating to such sales and the hearing had, are submitted and referred to you for such action as you may deem advisable.

The Alaska-Yukon-Pacific Exposition.

The Alaska-Yukon-Pacific Exposition will be held at Seattle this year, commencing in June. Judging from information received concerning the management and the financing of the exposition, I believe it will be a most successful undertaking.

A proper exhibit of the resources of the State would undoubtedly prove of value. My judgment is that the condition of the general fund will not permit an appropriation sufficient to make a creditable showing. If you deem otherwise, your action should be prompt, as the time is very short for the gathering of exhibits.

Employer's Liability.

The wisdom of the fellow servant law heretofore enacted has been demonstrated in actual practice. The extension of like provisions to all vocations dangerous to life, limb or health, is in my judgment advisable.

The State can only discharge the duty it owes to the large number of citizens who labor in places dangerous to life and limb and detrimental to health by giving them all possible protection and securing to them in case of injury, and to their families in case of death, adequate damages; and such damages should not be denied by reason of the negligence of a fellow employe. Aside from the question of humanity, which is in itself sufficiently controlling, the economic value of the skill of a trained workman to the State is too great to be sacrificed.

The humanitarian tendency of the age demands, and the economic value of skill and training justifies, the enactment of laws adequately dealing with the rights of the employed.

Mining.

The development of the mineral wealth of Montana is so great that more capital is interested in and a larger number of people are engaged in mining than in any other industry. Laws pertaining to that industry are therefore of the greatest interest and concern.

The State Mine Inspector and his Deputy, who are men experienced in mining, have submitted their report, which will be placed upon your desks. In that report many valuable suggestions and recommendations are made, and to these recommendations your special attention is called.

Reference has heretofore been made to the importance of the question of requiring employers to provide for their employees the safest and most healthful places in which to labor that are possible under given conditions, and your attention is again called thereto in connection with the recommendations of the Mine Inspector relative to the ventilation of the Butte mines.

I recommend that you most carefully investigate the means used in ventilating all mines, and that such laws be passed and the Mine Inspector be given such authority as will insure the speedy adoption and use of the best possible means of ventilation.

Coal Mining.

The growth and development of the coal mining industry has been rapid and the increasing output has scarcely kept pace with the consumption. The demands of the consumers will constantly increase and every reasonable encouragement should be offered for the development of the immense coal measures known to exist in Montana.

The number of fatalities in our coal mines during the past year is of most serious moment and concern, and demands the passage of such laws as will eliminate in so far as is possible the dangers attendant upon coal mining.

There is a general consensus of opinion that means for the protection of the lives and health of coal miners have not been as rapidly provided as the means for increased output; in other words, safety has been sacrificed to production.

The Coal Mine Inspector has made valuable recommendations in his report, and I hope you will carefully consider the same and enact into law such thereof as seem of benefit.

State Educational Institutions.

Many of our citizens hold that the segregation of our institutions of higher learning was unwise, that the cost of maintenance is on that account largely increased and that such institutions should now be united. Admitting the foregoing statement to be true, the fact remains that the present financial prospects of the State render the uniting of the institutions now impossible.

The State has an investment of at least one million dollars in four of its educational institutions. It would cost at least seven hundred and fifty thousand dollars for additional buildings and equipment to unite any three of these with the fourth, and a million dollars for buildings and equipment to unite the four in a place different from any of the present locations. The permanent funds of the institutions cannot be used, nor can the land grants be bonded to obtain the necessary money. The cost of uniting the institutions must come from the general fund, an impossible source under the present tax levy allowed by the Constitution.

A closer co-operation between the institutions, the stopping of all duplication in the subjects taught, and the consequent reduction in the expenses of maintenance, are feasible and advisable.

The State Board of Education at its regular meeting last month appointed a committee to suggest ways and means to that end. I think that this matter can be safely left to the judgment and discretion of the State Board of Education, with the assurance that the wisest possible action under the circumstances will be taken.

Each of the institutions must be largely or wholly supported by appropriations from the general fund. The amounts required for maintenance will constantly increase and from time to time additional buildings and equipment will be required.

Be as liberal with the institutions as the financial condition of the State will permit, but at all times bear in mind the many demands on the general fund, and that all departments of the State government must be conducted.

In nearly every instance each institution is now managed

by a separate local board, over which the State Board of Education has only the most general and confirmatory jurisdiction. We have therefore nearly as many boards of control as we have institutions. This does not produce either an economical or wise administration.

I recommend the abolishing of all local boards; the placing of full management, other than financial, of the educational institutions in the State Board of Education, and of the Reform School in the State Board of Prison Commissioners, and the financial management of all of the institutions in the State Board of Examiners. And I recommend that you authorize each of the State boards named to appoint a local committee, to perform such duties as may be designated by the appointing State board.

Until such course as suggested is provided for, no consistent financial policy, of general application, can be pursued; nor will there be a cessation of the expenditure by local boards of more money than the Legislature appropriates. To illustrate: An appropriation is made for an educational institution for building purposes. The plans for the building are selected and the contract for the construction is awarded by the local board, and as to each action the State Board of Education has confirmatory power only. All bills are audited by the local board and sent to the State Board of Examiners for allowance. This board has no information concerning the contract, the progress of the work, whether or not the contract calls for an expenditure in excess of the appropriation, the reasonableness of the bill, or, in fact, any information upon which to base intelligent action. The members of the State Board of Examiners are therefore merely figureheads to perfunctorily endorse the claims.

To further illustrate: The Tenth Legislative Assembly appropriated fifty thousand dollars to build, equip and furnish a library building for the State University. This building has been erected, the fifty thousand dollars have been expended, and no equipment or furnishing has been provided.

The same Assembly appropriated eight thousand dollars for the construction, equipment and furnishing of a hospital for the State Reform School. The last annual report of the trustees of that institution contains the information that the appropriation was too small to provide facilities demanded by the insti-

tution, that a larger building was planned, that the eight thousand dollars have been expended and that the building has not been completed. Note that the appropriations were for the completion, equipment and furnishing of the buildings, and that in the first named case the building has been completed but not equipped or furnished, while in the second case the building has not been completed, equipped or furnished.

This Assembly will be asked in each instance to make an appropriation to complete something which the last Assembly, in its judgment, amply provided for. You have the option of making the appropriations requested or permitting the large expenditures already made to serve no useful purpose.

Many of the institutions have exceeded their maintenance appropriations and are asking deficiency appropriations. This is but the continuation of a practice that has become almost habitual.

The Constitution of the State gives to the Legislature alone the authority to appropriate money, but the actions of the local boards of many of the institutions are in effect an entire disregard of this provision of the Constitution and make the local boards, rather than the Legislature, the appropriating authority.

Under such conditions no State officer can accurately estimate expenditures, and no Legislative Assembly can determine the tax levy necessary to defray the expense of the State.

The strongest business house employing such business methods would soon be in the bankruptcy courts. I most strongly urge the giving to the State Board of Examiners direct control of and supervision over all expenditures made for the State institutions, and in no other way is it possible to prevent the use of more money for given purposes than the Legislature appropriated therefor.

The local boards of the institutions also purchase and audit bills for supplies used by the respective institutions, and the State Board of Examiners, as above mentioned, perfunctorily allows the same without any knowledge of their reasonableness or correctness. The local boards also frequently fail to make the best possible bargains for the State, due to local influence and in order to prevent conflicts with acquaintances or friends of the board members.

A traveling representative of the State Board of Examiners should be provided for at a salary sufficient to procure the ser-

vices of a valuable man, to meet with, check up and supervise the actions of the local boards, and advise the State Board of Examiners in relation thereto. The abolishing of the local boards, as suggested, would not obviate the necessity for the traveling representative, as there will always be some local representative of the State Board to purchase supplies for the different institutions.

A traveling representative would, in my judgment, save the State each year many times his salary and expenses.

The State Prison.

On July 1, 1908, the State Board of Prison Commissioners, under authority conferred by statute, took over the management of the State Prison, rented the property belonging to Conley & McTague, used in connection therewith, for the sum of four thousand two hundred dollars per year, and appointed Frank Conley as Warden, at a salary of three thousand dollars a year. Since taking over the management of the prison the cost of keeping the prisoners per capita has been slightly decreased from the sum of forty-five cents a day, the former contract price.

Conley & McTague own the water supply, the material used in the supply and distributing system, nearly all of the personal property used in conducting the prison, and the State is due them considerable sums for certain permanent improvements made by them under the terms of a contract entered into with a former Prison Board in 1901. The work of constructing the water supply and distributing system was performed by the convicts and the State is to that extent a part owner in the system. The personal property necessary for conducting the prison should be owned by the State.

The interests of Conley & McTague in the permanent improvements, their interest in the water system and a sufficient water right to supply the present and reasonable future needs of the prison should be purchased and owned by the State.

I refer this matter to you for such action as may appear to you advisable, and suggest that if the purchase is made as above advised, you appropriate the money necessary therefor and appoint a commission to make the purchases.

On December 26, there were confined in the State Prison five hundred and ninety-four State and Federal prisoners. The capacity of the prison, with two in a cell, is four hundred and

ninety-six. Some arrangements must be made by this Assembly for increasing the capacity of the prison.

State Reform School.

Section 9781 of the Revised Codes states that the Reform School is established for the keeping and reformatory training of youths between eight and eighteen years of age. My investigation leads me to believe that as much has been accomplished by the School as has been possible under the conditions and the facilities provided by the State. By far the larger number of youths reach this School on account of the lack of, or improper, home training and environment. After a year's, or at most a few years' confinement, they are released with a small additional amount of academic training, without occupation or knowledge of how to earn a living, and return usually to the same environment. Too frequently a criminal career or life of shame follows.

The failure to secure a much larger percentage of lasting reformatations is occasioned by not teaching them some means of earning a living before they are released.

I earnestly recommend that means be provided for teaching all youths sent to the Reform School some useful occupation whereby an honest living can be earned, and not releasing them until it is learned. The prevention of boys and girls from entering upon criminal careers or lives of shame, were possible, is of the highest economic value to the State and the discharge of a duty we owe to society. Some additional expense will have to be incurred, but I believe that the beneficial results from such expenditures will more than compensate the State therefor.

Experiment Station and Farmers' Institutes.

The work carried on at the Experiment Station and the information given at the Farmers' Institutes have done much to inform our farmers and fruit growers of the productive qualities of our soil and to teach them how to obtain greater results therefrom.

Increased production swells the profits of the producer and adds to the wealth of the State. I heartily approve of the work of Professor Linfield and his associates, and I recommend that the Experiment Station and the Farmers' Institutes receive as ample appropriations as circumstances will permit. In no other

way can the money of the State be more profitably expended or produce more beneficial results.

Dry farming has proven successful in many sections, and in others experiments have demonstrated great possibilities, if proper methods are used. The State should give assistance by way of information to those who are settling upon the dry lands heretofore deemed worthless except for grazing purposes and trying to grow crops thereon.

Public Service Commission.

I think that the time is opportune to put in operation the principle of regulating by law the charges made by public service corporations, and providing a public service commission for such purpose.

For the present this service could be performed by the State Railroad Commission and no additional expense incurred.

Franchises.

The advisability of public ownership of public utilities is now almost generally recognized and such actual ownership is rapidly becoming more extensive.

That municipal ownership of public utilities may be encouraged, laws providing therefor should be made plain, specific and easily executed.

No municipal corporation should be permitted to grant a franchise for private ownership of a public utility for a longer period than twenty-five years. It is a well known fact that many perpetual or long-time franchises have heretofore been granted. A law should be passed providing that such franchises should expire in 1930, unless sooner expiring under the terms of the franchise.

I also recommend the giving to city councils the authority and power to regulate by ordinance or commission the rates for water and light and street car fares.

Transportation and Communication.

Sufficient and expeditious transportation of freight and passengers and prompt communication of messages at reasonable rates are most necessary for the prosperity and progress of a people.

The effects of the Interstate Commerce act and the Railroad Commission law passed by the Tenth Legislative Assembly have been beneficial and will be more so as experience

in the application of the laws is gained and the courts have interpreted the provisions of the acts and informed the commissions of the powers conferred.

The administration of the State Railroad Commission law has demonstrated that it is defective in many particulars and that amendments thereto are advisable. That the law may be strengthened in its provisions and extended in its application, I recommend the following amendments:

1. Extending its provisions to include, and giving the Commission power to fix rates and charges and make all proper regulation for telegraph companies and lines.

2. Giving the Commission full and explicit power and authority to require railroad companies to furnish promptly to shippers, when required, sufficient and satisfactory cars, without discrimination, and the power to fix and require the making of a certain time schedule in the transportation of freight.

3. Authorizing and requiring the physical valuation of all of the property of railroads and telegraph companies in the State by the Railroad Commission.

4. Providing for and requiring the inspection of railroad track and equipment by and under the authority of the Commission and conferring full authority to make and enforce any and all regulations to insure the safety of passengers and employes.

5. The enactment of a law making it a criminal offense to give or accept (except in the case of actual employes) free transportation, passes or communications by or from railroad, telegraph, express or sleeping car companies.

Natural Resources.

President Roosevelt, in pointing out the rapid consumption and destruction of the natural resources of the Nation and in calling the conference of the Governors of the States and other distinguished men to discuss the question, advanced one of the greatest thoughts of the present time, and his action in calling the conference will result in great benefits to this and coming generations.

It was my pleasure to attend the May conference and I deeply regret that circumstances would not permit my attendance at the meetings of the National Conservation Commission held in Washington last month. The time has arrived for us as a people to stop and take an inventory of our natural

resources; to observe their rapid consumption and to devise means to prevent the unnecessary and wasteful use of the past and present. In no other way can the duty we owe to ourselves and to posterity be discharged.

The length of this message and the many questions which must be referred to will permit only a very limited discussion in detail of this most important problem.

Forest Reserves.

Very few of our citizens oppose the policy of the Federal government in creating and maintaining National Forests. The forests protect the watersheds, prevent early spring flooding of the streams, and make more uniform the flow of water in streams at all seasons. These benefits have been clearly demonstrated, and a continuance thereof is most desirable.

Against the policy of the administration of such forests many of our citizens make grave complaint, and with much justification. The reason for the creation and maintaining of the forest reserves by the Government is primarily the protection of the timber.

The miner in prospecting for mineral and developing mining claims upon the reserves, does not interfere with the growth of the timber thereon; but by the discovery and development of mines adds to the wealth of the State and Nation and should be encouraged and assisted rather than interfered with by unnecessary rules and regulations.

The demand for the inspection of mining claims on forest reserves by inspectors having a fair knowledge of mineralogy, and the use of such timber without compensation as may be necessary for mining purposes, does not seem unreasonable.

It has been clearly demonstrated that the grazing of livestock upon the reserves does not seriously interfere with the growth of the timber thereon. The grass on the ranges grows from year to year and is temporary in character. This, in my judgment, is a resource of the State, the income from which should be paid to the State and the regulation thereof should be by the State, under such general regulations as Congress may impose, insuring that the growth of the timber would not be interfered with. I feel quite assured that only such of our citizens as have received favorable grazing privileges, or are unacquainted with the facts, favor the present regulations.

I therefore suggest that you pass a proper memorial to Congress asking that the forest regulations be changed as herein suggested.

Water.

Montana is rich—immeasurably rich—in its volume of water for irrigation, power and other useful purposes, and our future growth will be materially aided or retarded by the manner in which this resource is developed.

The unappropriated waters of the State are of right the property of the State and should be so declared. The use of all unappropriated waters should be permitted only in accordance with and strictly regulated by well considered laws which will recognize, protect and preserve the benefits thereof to the people of the State.

This is a semi-arid climate and only by the use of water for irrigation purposes can the best and surest results be obtained. The products of the soil have been and will ever be the greatest and most permanent source of wealth. The supply and use of water for irrigation purposes should therefore receive most careful attention and consideration.

A large part of the water diverted for irrigation returns to the contributing stream and can be used again for the same or other useful purposes.

The use of water to provide cheap power for the development of our mineral resources and the building up of other great industries is also very necessary. No part of the water used in power development is lost; it is only the fall in a given distance along the stream that is consumed. Under such laws and regulations as will compensate the State for the value granted, the use of water for power purposes should be permitted and encouraged.

This use, however, should be permitted only after a franchise provided for by law has been granted, which will explicitly set forth the rights granted and will provide that such reasonable percentage of the gross income received from the sale of the power shall be paid annually to the State as will compensate the State for the privileges granted away.

There should at all times be retained the right to regulate by law or public service commission the amount charged consumers for power developed by water.

In my judgment, the Federal government has no jurisdic-

Water is too valuable in this semi-arid climate to be permitted to run to waste. Denuded watersheds cause such needless waste.

The State from a broad business policy should not permit any of the watersheds controlled by it to be entirely denuded of timber, and if reforestation is practicable it would be the exercise of the wisest judgment to reforest the bare or denuded watersheds.

State Lands.

Land is the most enduring of the natural resources. The holding title to and the administration and protection of lands affect the happiness and prosperity of the whole people. Therefore the State should deal with the greatest care and administer most wisely the immense areas of lands granted it by the Federal government for educational purposes.

The laws providing for the administration and disposition of State lands are defective, insufficient, contradictory and in some instances directly in conflict with the Enabling Act.

It should not be a matter of surprise or censure when consideration is taken of the fact that our statute laws upon the subject were made many years ago and at a time when the immense values involved were not realized.

A few of the many defects and insufficiencies of the laws will be pointed out and your attention called to the urgent necessity for a careful consideration of and a most thorough investigation into the subject. I shall be pleased, if it is desired, to meet with the Public Lands Committees at any time and discuss in detail proper amendments.

Section 11 of the Enabling Act provides: "That all lands herein granted for educational purposes shall be disposed of only at public sale, and at a price not less than ten dollars per acre."

Section 2173 of the Revised Statutes is as follows: "Whenever any State lands have been exposed for sale and lease at auction, any lots or tracts remaining unsold or unleased, the Register may sell or lease them to any person thereafter making application therefor, subject to the same terms and conditions as though the applicant were the successful bidder at a public sale and leasing. Provided, That all sales under the provisions of this section, to be valid, shall require the approval of the Board." This section, in my judgment, is in direct conflict with

Section 11 of the Enabling Act in this: Section 2161 of the Revised Statutes provides that the State Land Board may from time to time direct that the lands belonging to the State be offered for sale and lease at public auction to the highest bidder, such sale to be conducted by the Register of State Lands, at the Court House of the county wherein the lands are situated. This is the only provision of the statute providing for a public sale of State lands.

Section 2173 provides that any lands not sold or leased at the public sale may be sold by the Register of State Lands to any person making application therefor, provided such sale is approved by the State Land Board.

The effect of this provision is to permit sales of these unsold and unleased lands by the Register, at the office of the Register, at any time and without notice; that is to say, at private sale.

I recommend that the statutes be amended to accord with the provisions of the Enabling Act.

The act granting the lands does not limit the number of acres that may be sold to any one person. Section 2161 of the Revised Statutes limits the amount to one hundred and sixty acres. It was evidently the purpose of the statute to provide that not more than one hundred and sixty acres of State lands should pass to any one person.

If it is deemed advisable or desirable that this provision shall be effective, then some additional laws are necessary.

Section 2167 of the Revised Codes provides that any purchaser of State lands may assign his certificate of purchase, and that patent to the land shall issue to the assignee. Under this provision, one person, through dummy purchasers, may acquire title to any number of acres of State lands. To make a limitation upon the amount of lands acquired by one person effective, there should be a provision of law prohibiting assignments of certificates previous to final patent or at least such assignments should not be permitted without the consent of the State Board of Land Commissioners.

I do not regard the one hundred and sixty acre limitation as advisable in all cases. There should be a sufficient quantity of land passed to the purchaser to make a home for the purchaser and his family. In some localities and with sufficient water for irrigation purposes, eighty acres are sufficient for a home; in other sections one hundred and sixty acres are

required; in a dry farming locality three hundred and twenty acres are desirable, and in a section where hay is the principal crop of value six hundred and forty acres are necessary.

I recommend that the lands be classified and provisions be made limiting the amount of land passing to any one purchaser according to the classification made. The re-appraisal and re-classification of all State lands are advisable, and full and detailed information in relation thereto should be gathered and recorded in the permanent records of the State Land Office.

Too many duties largely clerical in character are required of the State Board of Land Commissioners. The creation of a subordinate board composed of the Register of State Lands, the State Land Agent and the State Engineer, and whose actions would be advisory and subject to the approval of the State Board of Land Commissioners, would not necessitate any additional expense and would promote a better administration of State lands.

The provisions of the laws relating to the administration of the mineral lands of the State are few and wholly insufficient.

One person well informed as to the relative values of the timber and coal lands has informed me that the coal lands are of the greater value. Regardless of the value as compared with the timber lands, the coal lands are of sufficient value to warrant adequate laws for their administration and disposition.

The State Board of Land Commissioners has for some time past refused to sell lands known or believed to possess coal values, and has leased upon a royalty basis such of the lands as have been disposed of. This action appears to me to be wise.

I recommend that you provide that no known coal lands be sold; that provisions be made for leasing the same upon a royalty basis, designating the minimum amount of royalty, and that patents for lands not known to possess coal values, but so situated as to give ground for the belief that they may possess such values, or that are designated as coal lands by the Geological Department of the United States government, reserve to the State all coal therein and the right to mine the same.

Many other defects and insufficiencies could be pointed out, but the length of this message will not permit a further discussion in that regard. Realizing from my experience as a

member of the State Land Board that our land laws needed radical changes and amendments, and the importance and extent of the questions involved therein, in the month of August last I appointed a Land Commission consisting of Honorable David Hilger, Honorable Charles S. Hartman and Honorable B. F. White to consider the subject of changes and amendments to the land laws and make recommendations and suggestions for your consideration. Mr. Hartman resigned and I appointed Honorable Rudolf von Tobel as his successor. This board has held several meetings and has given much time and thought to a revision of our land laws, and its suggestions and recommendations will be later submitted to you for your information and consideration.

Water for State Lands.

That there may be unappropriated water in the streams of the State with which to irrigate the State lands, when it is found desirable to reclaim the same, provision should be made that appropriations of water to irrigate State lands should take precedence over and be prior to any appropriation of water made for other than irrigation purposes.

As to the advisability of extending the same provisions to all appropriations of water for irrigation purposes, I have not been able to give the question sufficient thought to arrive at a well considered conclusion, but I realize that there is merit in the suggestion.

Investment of Land Grant Funds.

Section 2197 of the Revised Codes provides that the permanent funds received from the various land grants may be invested in city, county, State and school district bonds.

The State Board of Land Commissioners has been enabled up to the present time to find investments for such funds in the class of securities named, within a reasonable time, at interest averaging less than five per cent. As the amount of the fund increases, opportunity for investment of these funds may not be so readily found. That there may ever be ample opportunity to invest these funds, I recommend that that class of securities in which investment is permitted be enlarged to permit time loans upon improved and irrigated farms, at six per cent interest.

Such a law would afford further and safe methods of investment at a higher rate of interest than bonds produce and would

afford the farmers some relief from the higher interest rates now paid to eastern farm mortgage holders, and would keep the money now paid as interest to such holders at home.

Income From State Lands.

The Enabling Act provides that the income funds from land grants shall be controlled by the State Board of Education until otherwise directed by the Legislature.

These funds now amount to a sufficient sum annually to warrant the Legislature in directing their disposition. The different institutions should receive the benefit of the income of their respective land grants for maintenance purposes.

You should so direct the disposition of these income funds, and provide that the amount appropriated from the general fund for maintenance purposes should be decreased by the amount received by such institutions from its income fund.

Advertisement of State Resources.

While I am more concerned in the conservation of our resources than in advertising them, I realize that much advantage may be received by the State from judicious advertising of the unparalleled resources of the State and the most favorable opportunities offered for the investment of capital and the making of permanent and prosperous homes.

The railroads are expending large sums in calling attention to the great opportunities offered in Montana to settlers and I think a reasonable amount of money can be wisely expended in advertising.

In this, as in all other cases where expenditure of money is required, your attention is called to the income for the next two years, and all expenditures should be made with that income constantly in view.

Industrial Education.

I recognize in education the most potent factor in building up a great and progressive State. Education does not consist alone in academic training. That education is most useful to the individual and consequently to the State which equips the individual with the necessary training to earn an honest living and become a self-supporting, useful and worthy member of society.

To accomplish this result an education should include a practical training, and by practical is meant such training as

will enable a person to do something for which there is a demand.

I look with much favor upon the introduction of manual training in our common and high schools and I believe that the wider use and employment of the idea will prove of the greatest benefit.

I think the State owes a duty to each child to furnish the opportunity and facility for acquiring such practical education as will enable the child to earn a living.

A college training is certainly desirable and in every case possible advisable; but a college training does not always equip one with the ability to do practical things.

The Nation, at public expense, furnishes special training for soldiers and sailors, and the State and counties, at public expense, furnish the opportunity for acquiring an academic education. I think that the State and counties should go further and at public expense furnish training in the practical and generally engaged in vocations.

Assessment of Property.

Section 1, Article XII of the Constitution provides for the just valuation and uniform taxation of all property, not thereunder exempted, and Section 2502 of the Revised Codes provides that all taxable property must be assessed at its full cash value.

The facts are well known that property of like kind and value situated in different portions of the State is not uniformly assessed; that a large portion of property is assessed at from twenty-five to fifty per cent of its cash value; that only a small portion of property is assessed for its full cash value, and that some of the most valuable property—cash and credits—largely escapes taxation.

Either our tax laws are very inefficient or are very defectively executed and I think both conditions exist. It is the purpose of the law to secure, and justice demands, the equal distribution of the burdens of taxation. How this may be obtained is a problem the solution of which is prospective.

If the State Board of Equalization had the authority to equalize the value of the property as fixed by the various assessors, a uniform valuation could be obtained.

The Supreme Court in construing the constitutional provision relative to the authority given to the State Board of Equalization has decided that such board is without power to

increase or decrease the valuation of any specific class of property, as finally fixed by the county boards of equalization.

If a uniform valuation is desired, a constitutional amendment giving the State Board of Equalization full power to equalize assessments must be adopted. I recommend the submission of such an amendment to the voters.

The county assessors should be required to examine all property before the assessed valuation is fixed and this would in my judgment tend to a more intelligent fixing of values.

To give the assessors more time in which to perform their work, the time of the commencement of the tax year should be changed from the first Monday in March to the first Monday in January.

The securing of an assessment of cash and credits is a most difficult problem. The following suggestions are submitted for your consideration as of possible assistance in securing a larger assessment of cash and credits: Taking away of the right of action in the courts to enforce the collection of taxable credits that have not been returned for taxation, until the taxes thereon are paid; requiring proofs in actions to collect credits, brought in the name of a non-resident of the State, that the credits are not owned by residents of the State; authorizing the courts in the administration of the estates of decedents to make inquiries to ascertain if any of the property of the decedent has escaped taxation, and if so, to require the payment of all back taxes before the distribution of the property to the devisees or heirs at law, and requiring each person assessed to make a separate sworn statement of the amount of cash possessed by such person, which statement must be by the assessor filed with the clerk of the district court and by the clerk preserved.

Income Tax.

I further recommend that a graduated tax upon incomes with appropriate exemptions be provided for. I fully realize the many difficulties surrounding the execution of such a law, but such difficulties should not deter us from the enactment of this most just measure.

I am under the impression that the adoption of the provision above mentioned requiring the courts in the settlement of estates to investigate the matter of the escape of property from taxation, would have a wholesome effect in preventing misrepresentations of incomes.

Disbursements By the Governor.

In accordance with the provisions of the Constitution I submit the following statement of the expenditure of all moneys belonging to the State and by the Governor paid out to the State Treasurer:

By Joseph K. Toole—

Received from U. S. Government, account

Soldiers' Home:

January 31, 1907.....	\$1,825.00
April 27, 1907.....	2,441.67
August 14, 1907.....	1,656.67
November 2, 1907.....	1,675.00
January 20, 1908.....	1,850.00
March 18, 1908.....	118.33

\$ 9,556.67

By Edwin L. Norris—

April 29, 1908.....	\$1,825.00
August 11, 1908.....	1,775.00
November 5, 1908.....	1,750.00

5,350.00

\$14,916.67

By Joseph K. Toole—

From U. S. Government, account 5 per cent

public land sales:

December 23, 1907.....	\$33,982.61
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From Forest Reserves:

October 30, 1907.....	20,655.42
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Total.....\$69,354.70

Conclusion.

Your constituents have conferred upon you a high honor and placed upon you the gravest responsibilities.

The fealty you owe to your constituents and your devotion to the best interests of the State will cause you to lay aside all personal considerations and labor only for the public good.

Believing in the patriotism of your motives and being confident of your ability, I feel assured that the State will receive much benefit from your deliberations.

EDWIN L. NORRIS.